

## Introduced by Senator Scott

February 16, 2005

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An act to amend Section 11521.2 of the Insurance Code, relating to annuities.

## LEGISLATIVE COUNSEL'S DIGEST

SB 271, as introduced, Scott. Charitable gift annuities.

Existing law generally regulates grants and annuities societies, which may receive transfers of property conditioned upon an agreement to pay an annuity to the transferor. Existing law limits the investments that the reserve for each annuity contract may be invested in, as specified.

This bill would allow the reserves for these annuities contracts to be invested in investment companies registered under the federal Investment Company Act of 1940.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 11521.2 of the Insurance Code is  
2 amended to read:  
3 11521.2. (a) The reserve required by the table of  
4 commensurate values for each annuity contract issued must be  
5 invested in investments specified in Sections 1170 through 1182  
6 except that a certificate holder may invest in *investment*  
7 *companies registered under the federal Investment Company Act*  
8 *of 1940, and in securities, including interests in those investment*  
9 *companies*, listed and traded on the New York Stock Exchange,  
10 the American Stock Exchange or regional stock exchanges or the

1 National Market System of the Nasdaq Stock Market or  
2 successors to such exchanges or market having the same  
3 qualifications, to the extent of the lesser of net worth (assets over  
4 liabilities and reserves) of the certificate holder or 50 percent of  
5 these general investments. This section does not permit  
6 investment in options or commodity exchanges.

7 (b) The certificate holder may invest in other investments as  
8 permitted by and subject to the written consent of the  
9 commissioner.

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